

FILED
RICHARD W. NAGEL
CLERK OF COURT

2020 JAN 13 PM 3:20

U.S. DISTRICT COURT
SOUTHERN DIST OHIO
WEST DIV CINCINNATI

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

UNITED STATES OF AMERICA

: CRIMINAL NO.

:

:

:

:

:

:

v.

1:20CR 004

INFORMATION

J. MCFARLAND

DAVID KEITH FRALEY

26 U.S.C. § 7201

The United States Attorney Charges That:

COUNT 1

(Tax Evasion - Payments)

From in or about January 2009, through on or about March 11, 2016, in the Southern District of Ohio and elsewhere, the defendant, **DAVID KEITH FRALEY**, a resident of Middletown, Ohio, willfully attempted to evade and defeat the payment of income tax due and owing by him to the United States of America, for the calendar years 2009, 2010, 2011 and 2012, by committing the following affirmative acts, among others:

- (a) **FRALEY** owned and operated Fraley Truck Sales & Service, a.k.a. Fraley Trucking, as an unincorporated business, located at 6489 Trenton-Franklin Road, Middletown, Ohio 45042. Fraley Truck Sales & Service was a trucking company that transported steel and large machinery throughout Ohio, Indiana, Kentucky and West Virginia;
- (b) **FRALEY** operated Fraley Trucking on a cash method form of accounting;
- (c) **FRALEY** failed to maintain adequate books and records that should be kept in the usual course of business;

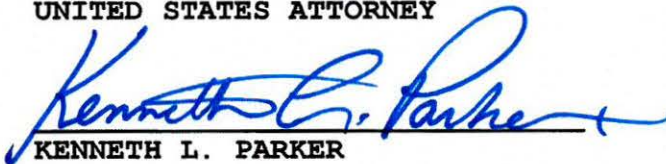
- (d) In 2009, **FRALEY** earned \$1,058,057 in gross receipts as a subcontractor of The W.H. Fay Company;
- (e) In 2010, **FRALEY** earned \$1,307,549 in gross receipts as a subcontractor of The W.H. Fay Company;
- (f) In 2011, **FRALEY** earned \$1,345,287 in gross receipts as a subcontractor of The W.H. Fay Company;
- (g) Following the IRS issuance of levies against **FRALEY's** personal and business bank accounts with JP Morgan Chase Bank, River Valley Credit Union and PNC Bank in September 2012, **FRALEY** contacted The W.H. Fay Company representatives and told them to stop issuing Form 1099 income he was earning in **FRALEY's** name and reporting it on his social security number and to start issuing the Form 1099 income in the name of **FRALEY's** business and his Employer Identification Number (EIN), so that it would appear **FRALEY** was not personally earning the income;
- (h) On or around October 3, 2012, **FRALEY** stopped depositing earned business income into his business and personal bank accounts and started making those deposits into his brother's bank accounts so that the IRS could not levy **FRALEY's** accounts;
- (i) In 2012, **FRALEY** earned approximately \$1,373,920 in gross receipts as a subcontractor of The W.H. Fay Company;
- (j) On or around February 2, 2013, **FRALEY** called The W.H. Fay Company representatives again and told them to stop issuing Form 1099 income that was being earned in **FRALEY's** business name and EIN and to start issuing the Form 1099 income in **FRALEY's** brother's name and social security number, so that it would appear that neither **FRALEY** nor his business was earning income;
- (k) On March 25, 2014, **FRALEY** filed a Form 1040, U.S. Individual Income Tax Return for 2009, DLN:19254-505-00417-4 with the Internal Revenue Service (IRS), showing a tax due and owing of \$67,026;
- (l) On March 11, 2016, **FRALEY** filed a Form 1040, U.S. Individual Income Tax Return for 2010, DLN: 19249-511-

00058-6 with the IRS, showing a tax due and owing of \$59,895;

- (m) On March 11, 2016, **FRALEY** filed a Form 1040, U.S. Individual Income Tax Return for 2011, DLN: 19249-511-00057-6 with the IRS, showing a tax due and owing of \$59,742;
- (n) On March 11, 2016, **FRALEY** filed a Form 1040, U.S. Individual Income Tax Return for 2012, DLN: 19249-511-00048-6 with the IRS, showing **FRALEY** earned \$920,411 in gross receipts, thus omitting \$453,509 in earned income;
- (o) By not depositing the earned income into his business and personal bank accounts and transferring ownership of income to his brother's name, **FRALEY** willfully and intentionally evaded the payment of federal income taxes due and owing of \$67,026 for 2009, \$59,895 for 2010, \$59,742 for 2011, and \$150,550 for 2012 (a total of \$337,213).

In violation of Title 26, United States Code, Section 7201.

**DAVID M. DEVILLERS
UNITED STATES ATTORNEY**



**KENNETH L. PARKER
ASSISTANT UNITED STATES ATTORNEY**